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**Via Electronic Filing**

Caroline Thomas Jacobs, Director  
Office of Energy Infrastructure Safety  
California Natural Resources Agency  
Sacramento, CA 95184  
[caroline.thomasjacobs@energysafety.ca.gov](mailto:caroline.thomasjacobs@energysafety.ca.gov)  
[efiling@energysafety.ca.gov](mailto:efiling@energysafety.ca.gov)

**Subject: Public Advocates Office Comments on Electric Utilities' Safety Certification Requests**

**Docket: 2022-SCs**

Dear Director Thomas Jacobs,

The Public Advocates Office at the California Public Utilities Commission (Cal Advocates) respectfully submits the following comments on the annual Safety Certification requests of Bear Valley Electric Service, Inc. (BVES), Pacific Gas and Electric Company (PG&E), and Southern California Edison Company (SCE). Please contact Henry Burton ([Henry.Burton@cpuc.ca.gov](mailto:Henry.Burton@cpuc.ca.gov)) or Holly Wehrman ([Holly.Wehrman@cpuc.ca.gov](mailto:Holly.Wehrman@cpuc.ca.gov)) with any questions relating to these comments.

We urge the Office of Energy Infrastructure Safety to adopt the recommendations discussed herein.

Sincerely,

/s/ CAROLYN CHEN  
Carolyn Chen  
Attorney

Public Advocates Office  
California Public Utilities Commission  
505 Van Ness Avenue  
San Francisco, California 94102  
E-mail: [Carolyn.Chen@cpuc.ca.gov](mailto:Carolyn.Chen@cpuc.ca.gov)  
Telephone: (415) 703-1980

497461412

The Public Advocates Office  
California Public Utilities Commission  
505 Van Ness Avenue, San Francisco, CA 94102-3298  
[www.publicadvocates.cpuc.ca.gov](http://www.publicadvocates.cpuc.ca.gov)

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## I. INTRODUCTION

Pursuant to the Office of Energy Infrastructure Safety’s (Energy Safety) *Safety Certification Guidelines*,<sup>1</sup> the Public Advocates Office at the California Public Utilities Commission<sup>2</sup> (Cal Advocates) submits these comments on the Safety Certification requests of Bear Valley Electric Service, Inc. (BVES),<sup>3</sup> Pacific Gas and Electric Company (PG&E),<sup>4</sup> and Southern California Edison Company (SCE).<sup>5</sup>

Pursuant to the 2022 Safety Certification Guidelines, SCE, BVES, and PG&E filed their requests on September 14, 2022. The 2022 Safety Certification Guidelines permit interested persons to file opening comments on the utilities’ requests for safety certification within 20 days of each utility’s submission.<sup>6</sup>

## II. COMMENTS

### A. Energy Safety should require improvements in utility safety.

Receiving a safety certification is one of the requirements an electric utility<sup>7</sup> must fulfill in order to seek recovery of catastrophic wildfire costs from the state Wildfire Fund.<sup>8</sup> The Public Utilities Code authorizes Energy Safety to issue safety certifications to electric utilities if they have an approved wildfire mitigation plan, agree to implement the recommendations of a safety culture assessment, and meet five other requirements.<sup>9</sup>

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<sup>1</sup> Energy Safety, *Safety Certification Guidelines*, August 25, 2022 (2022 Safety Certification Guidelines).

<sup>2</sup> Hereafter, we refer to the California Public Utilities Commission as “the CPUC” in these comments.

<sup>3</sup> *Bear Valley Electric Service, Inc. Request for 2022 Safety Certification Pursuant to Public Utilities Code Section 8389*, September 14, 2022 (BVES’s 2022 Safety Certification Request).

<sup>4</sup> *PG&E’s Request for 2022 Safety Certification Pursuant to P.U.C. § 8389*, September 14, 2022 (PG&E’s 2022 Safety Certification Request).

<sup>5</sup> *Southern California Edison Company’s 2022 Safety Certification Request*, September 14, 2022 (SCE’s 2022 Safety Certification Request).

<sup>6</sup> 2022 Safety Certification Guidelines, p. 7.

<sup>7</sup> Many of the Public Utilities Code requirements relating to wildfires apply to “electrical corporations.” *See, e.g.*, Public Utilities Code sections 8386, 8389. Hereinafter, these comments will use the more common term “electric utilities” or “utilities” and the phrase “electrical corporations” interchangeably to refer to the entities that must comply with the wildfire safety provisions of the Public Utilities Code.

<sup>8</sup> *See, e.g.*, Public Utilities Code section 451.1(b) (when determining a utility’s application to recover costs and expenses from the Wildfire Fund (created by section 3284), arising from a covered wildfire, the commission shall allow recovery if the costs and expenses are just and reasonable, i.e., if the conduct of the electrical corporation related to the ignition was consistent with actions that a reasonable utility would have undertaken in good faith under similar circumstances); Public Utilities Code section 451.1(c) (“An electrical corporation bears the burden to demonstrate, based on a preponderance of the evidence, that its conduct was reasonable pursuant to subdivision (b) **unless it has a valid safety certification pursuant to section 8389** for the time period in which the covered wildfire that is the subject of the application ignited.”) (emphasis added).

<sup>9</sup> Public Utilities Code section 8389(e)(1)-(7) list the seven criteria a utility must meet to be granted a

**1. The most recent safety culture assessments conducted by Energy Safety for the applicant utilities are one year old.**

To be granted a safety certification, utilities must be in “good standing.”<sup>10</sup> Under the current process, a utility’s agreement to implement the findings of its most recent safety culture assessment allows them to assert they are in “good standing.”<sup>11</sup>

The most recent safety culture assessments reports were released approximately one year prior to the utility requests for 2022 safety certifications.<sup>12</sup> By referring to the same 2021 safety culture assessments in both 2021 and 2022, utilities are under no obligation to demonstrate that their safety culture has improved since 2021, nor even that their current safety culture is satisfactory at all.

This problem is illustrated by PG&E’s request. PG&E states that it anticipates its 2022 safety culture assessment report will be issued on December 29, 2022.<sup>13</sup> If this report indicates that PG&E’s safety culture is severely deficient, the utility could still be granted the benefits of a safety certification until late 2023.<sup>14</sup> This, despite the fact that the recently released final *NorthStar Assessment of Pacific Gas and Electric Corporation and Pacific Gas and Electric Company’s Safety Culture* notes key gaps in PG&E’s safety culture.<sup>15</sup> Among other things, PG&E has not implemented the recommendations to:<sup>16</sup>

- Clearly define and articulate any new initiatives to improve safety culture;
- Conduct a broad reassessment of all safety programs and initiatives to evaluate overall effectiveness and make improvements; or

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safety certification.

<sup>10</sup> Public Utilities Code section 8389(e)(2).

<sup>11</sup> 2022 Safety Certification Guidelines, p. 4.

<sup>12</sup> Per SDG&E’s 2022 Safety Certification Request, p. 3, SDG&E’s most recent safety culture assessment report was published on September 2, 2021. Per BVES’s 2022 Safety Certification Request, p. 2, BVES’s most recent safety culture assessment report was published on October 27, 2021. Per SCE’s 2022 Safety Certification Request, p. 3, SCE’s most recent safety culture assessment report was published on September 2, 2021. Per PG&E’s 2022 Safety Certification Request, p. 2, PG&E’s most recent safety culture assessment report was published on October 6, 2021.

<sup>13</sup> PG&E’s 2022 Safety Certification Request, p. 2.

<sup>14</sup> See Public Utilities Code section 8389(e)(2).

<sup>15</sup> Issued in the PG&E Safety Culture Investigation (I.15-08-019) before the CPUC; available at <https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M496/K924/496924619.PDF>

<sup>16</sup> NorthStar Consulting Group, *Assessment Of Pacific Gas And Electric Corporation And Pacific Gas And Electric Company’s Safety Culture*, September 16, 2022, Exhibit I-1.

- Develop a business case support and a record of management approval for safety initiatives in accordance with PG&E’s Project Approval Procedure.<sup>17</sup>

Moreover, there is no evidence available that PG&E has agreed to implement the findings contained in the final NorthStar report,<sup>18</sup> which is PG&E’s “most recent safety culture assessment” pursuant to the 2022 Safety Certification Guidelines.<sup>19</sup>

**2. Greater accountability is needed to ensure that the findings from safety culture assessments are effectively implemented.**

An effective safety certification process means demanding meaningful progress by the utilities to address known safety culture deficiencies. Meaningful progress must be measured by utilities providing substantive action plans and Energy Safety assuring accountability for utilities following those plans. Cal Advocates previously recommended that Energy Safety require utilities to provide specific plans to implement the findings from their safety culture assessments, with clear milestones, measurable outcome metrics, and timelines.<sup>20</sup> These reasonable measures would require utilities to demonstrate an actionable and reasonable plan to implement the findings of their safety culture assessments, and to actually do so.

The 2022 Safety Certification Guidelines require that a utility “demonstrate meaningful progress in implementing ... the recommendations of its ... safety culture assessments.”<sup>21</sup> While utilities have been reporting on their progress in their quarterly notification letters,<sup>22</sup> these progress

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<sup>17</sup> NorthStar Consulting Group, *Assessment Of Pacific Gas And Electric Corporation And Pacific Gas And Electric Company’s Safety Culture*, September 16, 2022, Exhibit I-1.

<sup>18</sup> PG&E’s 2022 Safety Certification Request cites the safety culture assessment conducted by DEKRA for Energy Safety in 2021, and PG&E’s response thereto. PG&E’s request makes no mention of NorthStar’s safety culture assessments conducted for the CPUC pursuant to Public Utilities Code section 8386.2. See PG&E’s 2022 Safety Certification Request, p. 2.

<sup>19</sup> The 2022 Safety Certification Guidelines state at page 2 that an applicant utility must have “agreed to implement the findings of its most recent safety culture assessment **performed pursuant to section 8386.2** and paragraph (4) of subdivision (d) [of Public Utilities Code section 8389], if applicable” (emphasis added).

Public Utilities Code section 8386.2 directs the CPUC to conduct periodic safety culture assessments of electrical corporations, such as the one conducted by NorthStar Consulting Group in the PG&E safety culture investigation proceeding (I.15-08-019).

<sup>20</sup> *Public Advocates Office Comments on Draft 2022 Safety Certification Guidelines*, August 8, 2022, pp. 2-4.

<sup>21</sup> 2022 Safety Certification Guidelines, p. 6.

<sup>22</sup> See, e.g., *Pacific Gas and Electric Company’s Quarterly Notification Regarding the Implementation of Its Approved Wildfire Mitigation Plan and Its Safety Recommendations; Submitted Pursuant to Public Utilities Code Section 8389(e)(7), the Office of Energy Infrastructure Safety’s Compliance Operational Protocols, and Assembly Bill 1054*, August 1, 2022, pp. 7-8,

*Southern California Edison Company’s Quarterly Notification Pursuant to Public Utilities Code Section*

reports consist of brief, high-level summaries with no outcome metrics or timelines. Thus, the utilities have not met their burden “to demonstrate meaningful progress” in implementing their safety culture assessments.

**3. PG&E has a history of overdue maintenance tags and has not resolved quality control issues identified in its 2022 WMP Update.**

In opening comments on PG&E’s 2022 WMP Update, Cal Advocates identified that PG&E had in excess of 100,000 overdue maintenance tags on its system in the high fire-threat districts.<sup>23</sup> Energy Safety agreed with these findings, and ordered PG&E to develop a plan to address this substantial maintenance backlog.<sup>24</sup> Rather than immediately acting to make its system safe, PG&E responded with a plan that would allow open maintenance tags to persist for ten years.<sup>25</sup> It is unreasonable for a utility to propose allowing unaddressed maintenance to persist for up to a decade — a condition which can and has led to ignitions.<sup>26</sup>

Cal Advocates also identified high rates of failure to pass quality control among PG&E’s asset inspections.<sup>27</sup> Energy Safety also agreed with these findings and ordered PG&E to develop a

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8389(e)(7) Regarding the Implementation of Its Approved Wildfire Mitigation Plan and Its Safety Culture Assessment and Safety Recommendations, August 1, 2022, pp. 3-5,

Quarterly Notification To The Office Of Energy Infrastructure Safety Regarding SDG&E’s Implementation Of Its Wildfire Mitigation Plan, Pursuant To Public Utilities Code Section 8389(e)(7), August 1, 2022, pp. 2-4,

Q2 2022 BVES Quarterly WMP Safety Report Pursuant to Public Utilities Code Section 8389(e)(7), July 29, 2022, pp. 4-5.

<sup>23</sup> “Per PG&E’s responses to data request CalAdvocates-PGE-2022WMP-09, questions 1-3, as of February 1, 2022, 111,502 of the open notifications on distribution had due dates prior to 2/1/2022, while 4,879 notifications on transmission and 149 notifications on substations had due dates prior to 2/1/2022.” *Comments of the Public Advocate’s Office on the 2022 Wildfire Mitigation Plan Updates of the Large Investor-Owned Utilities Docket 2022-WMPs*, April 11, 2022, p. 25.

<sup>24</sup> Critical Issue RN-PG&E-22-05, *Office of Energy Infrastructure Safety Issuance of Revision Notice for Pacific Gas and Electric Company’s 2022 Wildfire Mitigation Plan Update and Notice of Extension of Office of Energy Infrastructure Safety’s Determination Per Public Utilities Code 8389.3(a)*, May 26, 2022, pp. 11-13.

<sup>25</sup> See *Public Advocates Office Comments on PG&E’s Revised 2022 WMP*, August 10, 2022, pp. 14-17.

<sup>26</sup> “As the Federal Monitor pointed out in its November 2021 report, even minor issues, left unaddressed, can present an ignition risk. Per its report, PG&E’s internal Asset Failure Analysis Team causally connected an ignition in June 2021 to a low priority, but overdue, maintenance notification that had originally been opened in August 2019 with a due date in February 2020. In addition to the June 2021 ignition, PG&E’s Asset Failure Analysis Team connected at least ten other equipment-caused ignitions with pre-existing maintenance tags in 2021.” *Comments of the Public Advocate’s Office on the 2022 Wildfire Mitigation Plan Updates of the Large Investor-Owned Utilities Docket 2022-WMPs*, April 11, 2022, pp. 26-27.

<sup>27</sup> *Comments of the Public Advocate’s Office on the 2022 Wildfire Mitigation Plan Updates of the Large Investor-Owned Utilities*, Docket 2022-WMPs, April 11, 2022, pp. 21-24.

In our comments on PG&E’s 2021 WMP Update (*Comments of the Public Advocates Office on the 2021*

plan to increase the quality of its asset inspections.<sup>28</sup> Yet, Cal Advocates still identified gaps in PG&E's Revised 2022 WMP, calling into question whether PG&E has taken sufficient action to substantially improve its asset inspection quality.<sup>29</sup> Despite PG&E's goal to achieve a pass rate above 90 percent on quality control checks,<sup>30</sup> the actual values reported in its Revised 2022 WMP are as low as 35 percent.<sup>31</sup>

These extremes make clear both that PG&E has failed to adequately resolve the safety issues identified by Energy Safety in its 2022 WMP Update and that PG&E's revised 2022 WMP Update does not address its substantial maintenance backlog in a reasonable and prudent manner.

### III. CONCLUSION

Cal Advocates respectfully requests that Energy Safety consider these comments and modify the safety certification process in accordance with the recommendations discussed herein.

Respectfully submitted,

/s/ Carolyn Chen  
CAROLYN CHEN  
Attorney

Public Advocates Office  
California Public Utilities Commission  
505 Van Ness Avenue  
San Francisco, California 94102  
E-mail: [Carolyn.Chen@cpuc.ca.gov](mailto:Carolyn.Chen@cpuc.ca.gov)  
Telephone: (415) 703-1980

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*Wildfire Mitigation Plan Update of Pacific Gas and Electric Company*, March 29, 2021, pp. 30-32), Cal Advocates noted that PG&E did not perform quality control in the field for asset inspections in 2021. Given the low quality of inspections reported in PG&E's 2022 WMP Update, it is highly possible that PG&E has a lengthy and undocumented history of low-quality asset inspections.

<sup>28</sup> Critical Issue RN-PG&E-22-08, *Office of Energy Infrastructure Safety Issuance of Revision Notice for Pacific Gas and Electric Company's 2022 Wildfire Mitigation Plan Update and Notice of Extension of Office of Energy Infrastructure Safety's Determination Per Public Utilities Code 8389.3(a)*, May 26, 2022, pp. 19-20.

<sup>29</sup> See *Public Advocates Office Comments on PG&E's Revised 2022 WMP*, August 10, 2022, pp. 17-18.

<sup>30</sup> Table RN-PG&E-22-08-03, PG&E's Revised 2022 WMP Update, July 26, 2022, p. 714.

<sup>31</sup> Table RN-PG&E-22-08-04, PG&E's Revised 2022 WMP Update, July 26, 2022, p. 718. This table indicates a worst-case failure rate of 65% which is equivalent to a worst-case pass rate of 35%.